

ENVIRONMENTAL PROTECTION AGENCY

40 CFR PART 52

[RIN:A2060]

**Finding of Failure to Submit Section 110 State
Implementation Plans for Interstate Transport for the
National Ambient Air Quality Standards for 8-hour Ozone and
PM 2.5**

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final Rule.

SUMMARY: The EPA is today making a finding that States have failed to submit State Implementation Plans (SIPs) to satisfy the requirements of section 110(a)(2)(D)(i) of the Clean Air Act (CAA) for the 8-hour ozone and PM_{2.5} (particles with an aerodynamic diameter less than or equal to a nominal 2.5 micrometers) National Ambient Air Quality Standards (NAAQS). Section 110(a)(1) of the CAA requires that States submit SIPs to meet the applicable requirements of section 110(a)(2) within 3 years after the promulgation of a new or revised NAAQS, or within such shorter period as EPA may provide. Pursuant to section 110(a)(1), States are required to submit SIPs that satisfy the requirements of section 110(a)(2)(D)(i) related to interstate transport of pollution. At present, States have not yet submitted SIPs to satisfy this requirement of the CAA, and EPA is by this action making a finding of failure to submit which starts a

2-year clock for the promulgation of a Federal Implementation Plan (FIP) by EPA unless, prior to that time, each State makes a submission to meet the requirements of section 110(a)(2)(D)(i) and EPA approves such submission.

DATES: The effective date of this rule is **[Insert date 30 days after publication]**.

FOR FURTHER INFORMATION CONTACT: General questions concerning this final rule should be addressed to Larry D. Wallace, Office of Air Quality Planning and Standards, Air Quality Strategies and Standards Division, Mail Code C504-02, Research Triangle Park, N.C. 27711; telephone (919) 541-0906.

SUPPLEMENTARY INFORMATION:

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Mahbubul Islam, Manager, State and Tribal Air Programs, EPA Region X, Office of Air, Waste, and Toxics, Mail Code OAQ-107, 1200 Sixth Avenue, Seattle, WA 98101, (206) 553-6985.	Alaska, Idaho, Oregon, and Washington.

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I. Background

On July 18, 1997, EPA issued new standards for the 8-hour ozone and particulate matter (PM) NAAQS. For ozone, EPA revised the NAAQS by adding an 8-hour averaging period (versus 1 hour for the previous NAAQS), and the level of the standard was changed from 0.12 ppm to 0.08 ppm (62 FR 38856). For the PM NAAQS, EPA added a new 24-hour standard and a new annual standard for PM_{2.5}.

Section 110(a)(1) of the CAA requires States to submit new SIPs that provide for the implementation, maintenance, and enforcement a new or revised standard within 3 years after promulgation of such standard, or within such shorter period as EPA may prescribe. Section 110(a)(2) lists the elements that such new SIPs must address, including section 110(a)(2)(D)(i) which applies to interstate transport of certain emissions. Section 110(a)(1) imposes the obligation upon States to make a SIP submission for a new or revised NAAQS, but the contents of that submission may vary depending upon the facts and circumstances. In particular, the data and analytical tools available at the time the State develops and submits the SIP for a new or revised NAAQS necessarily affects the content of the submission.

For the 8-hour ozone standard and the PM_{2.5} standards, States should already have submitted SIPs that satisfied the section 110(a)(2)(D)(i) requirement related to interstate transport for these new NAAQS. At present, States have not submitted plans to satisfy this requirement, and EPA is today making a finding of failure to submit. This finding starts a 2-year clock for promulgation by EPA of a FIP, in accordance with section 110(c)(1), for any State that does not submit a SIP meeting the requirements of section 110(a)(2)(D)(i) for the PM_{2.5} and 8-hour ozone NAAQS. This action does not start a sanctions clock pursuant to section 179 because this finding of failure to submit does not pertain to a part D plan for nonattainment areas required under section 110(a)(2)(I) and because this action is not a SIP Call pursuant to section 110(k)(5).

II. Today's Action

By today's action, EPA is making the finding that States have failed to submit SIPs to satisfy the requirements of section 110(a)(2)(D)(i) of the CAA for the 8-hour ozone and PM_{2.5} NAAQS. This finding starts a 2-year clock for the promulgation by EPA of a FIP, unless each State submits a SIP to satisfy the section 110(a)(2)(D)(i) requirements, and EPA approves such submission prior to that time. Today's action will be effective on **[Insert date 30 days after publication]**.

III. Statutory and Executive Order Reviews

A. Notice and Comment Under the Administrative Procedures Act

This is a final EPA action, but is not subject to notice-and-comment requirements of the Administrative Procedures Act (APA), 5 U.S.C. 553(b). The EPA invokes, consistent with past practice (for example, 61 FR 36294), the good cause exception pursuant to APA, 5 U.S.C. 553(b)(3)(B). Notice and comment are unnecessary because no significant EPA judgment is involved in making a finding of failure to submit SIPs or elements of SIPs required by the CAA, where States have made no submissions to meet the requirement by the statutory date.

B. Executive Order 12866: Regulatory Planning and Review

Under Executive Order 12866 (58 FR 51735, October 4, 1993), EPA must determine whether the regulatory action is "significant" and, therefore, subject to OMB review and the requirements of the Executive Order. The order defines "significant regulatory action" as one that is likely to result in a rule that may:

- (1) have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or Tribal governments or communities;

- (2) create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;
- (3) materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or
- (4) raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in the Executive Order.

Pursuant to the terms of Executive Order 12866, a determination has been made that this rule is not a "significant regulatory action" because none of the above factors apply. As such, this final action was not formally submitted to The Office of Management and Budget (OMB) for review.

C. Paperwork Reduction Act

This action does not impose an information collection burden under the provisions of the Paperwork Reduction Act, 44 U.S.C. 3501 et seq. This rule relates to the requirement in the CAA for States to submit SIPs under section 110(a)(1) to satisfy certain infrastructure and general authority-related elements required under section 110(a)(2) of the CAA for the 8-hour ozone and the PM_{2.5} NAAQS. Section 110(a)(1) of the CAA requires that States submit SIPs that implement, maintain, and enforce a new or revised NAAQS which satisfies

the requirements of section 110(a)(2) within 3 years of promulgation of such standard, or shorter period as EPA may provide. The present final rule does not establish any new information collection requirement apart from that required by law. Burden means that total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information. An Agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number. The OMB control numbers for EPA's regulations in the Code of Federal Regulations (CFR) are listed in 40 CFR part 9

D. Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA) generally requires an agency to prepare a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements under the Administrative Procedures Act (APA) or any other statute unless the EPA certifies that the rule will not have a significant economic impact on a substantial number of small entities. Small entities include small businesses, small organizations, and small governmental jurisdictions.

For the purpose of assessing the impacts of today's final rule on small entities, small entity is defined as: (1) a small business that is a small industry entity as defined in the U.S. Small Business Administration (SBA) size standards. (See 13 CFR 121); (2) a small governmental jurisdiction that is a government of a city, county, town, school district or special district with a population of less than 50,000; and (3) a small organization that is any not-for-profit enterprise which independently owned and operated is not dominate in its field.

Courts have interpreted the RFA to require a regulatory flexibility analysis only when small entities will be subject to the requirements of the rule. See, Michigan v. EPA, 213 F.3d 663, 668-69 (D.C. Cir., 2000), cert. den., 532 U.S. 903 (2001). This rule would not establish requirements applicable to small entities. Instead, it would require

States to develop, adopt, and submit SIPs to meet the requirements of section 110(a)(2)(D)(i), and would leave to the States the task of determining how to meet those requirements, including which entities to regulate.

Moreover, because affected States would have discretion to choose the sources to regulate and how much emissions reductions each selected source would have to achieve, EPA could not predict the effect of the rule on small entities.

After considering the economic impacts of today's final rule on small entities, I certify that this rule will not have a significant economic impact on a substantial number of small entities.

E. Unfunded Mandates Reform Act

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), Public Law 104-4, establishes requirements for Federal Agencies to assess the effects of their regulatory actions on State, local and Tribal governments and the private sector. Under section 202 of the UMRA, EPA generally must prepare a written statement, including a cost-benefit analysis, for proposed and final rules with "Federal mandates" that may result in expenditures to State, local, and Tribal governments, in the aggregate, or to the private sector, of \$100 million or more in any 1 year. Before promulgating an EPA rule for which a written statement is needed, section 205 of the UMRA generally requires EPA to identify and consider a reasonable number of

regulatory alternatives and adopt the least costly, most cost-effective or least burdensome alternative that achieves the objectives of the rule. The provisions of section 205 do not apply when they are inconsistent with applicable law. Moreover, section 205 allows EPA to adopt an alternative other than the least costly, most cost-effective or least burdensome alternative if the Administrator publishes with the final rule an explanation of why that alternative was not adopted. Before EPA establishes any regulatory requirements that may significantly or uniquely affect small governments, including Tribal governments, it must have developed under section 203 of the UMRA a small government agency plan. The plan must provide for notifying potentially affected small governments to have meaningful and timely input in the development of EPA regulatory proposals with significant Federal intergovernmental mandates, and informing, educating, and advising small government on compliance with regulatory requirements.

Today's action does not include a Federal mandate within the meaning of UMRA that may result in expenditures of \$100 million or more in any 1 year by either State, local, or Tribal governments in the aggregate or to the private sector, and therefore, is not subject to the requirements of sections 202 and 205 of the UMRA. It does not create any additional requirements beyond those of the PM2.5 and 8-hour ozone NAAQS (62 FR 38652; 62 FR 38856, July

18, 1997). Therefore, no UMRA analysis is needed. This rule responds to the requirement in the CAA for States to submit SIPs under section 110(a)(1) to satisfy certain infrastructure and general authority-related elements required under section 110(a)(2) of the CAA for the 8-hour ozone and PM_{2.5} NAAQS. Section 110(a)(1) of the CAA requires that States submit SIPs that implement, maintain, and enforce a new or revised NAAQS which satisfies the requirements of section 110(a)(2) within 3 years of promulgation of such standard, or shorter period as EPA may provide.

Inasmuch as this action simply finds that States have failed to submit SIPs to address a pre-existing statutory requirement under the CAA, this Federal action will not impose mandates that will require expenditures of \$100 million or more in the aggregate in any 1 year. However, EPA notes, that in another final rule signed today (the Clean Air Interstate Rule or CAIR), EPA is making findings of significant contribution for many States and requiring the submission of SIPs that will control sulfur dioxide and nitrogen oxide emissions in order to eliminate interstate transport and that EPA has estimated in that action that such controls will have annual costs of \$1.91 billion in 2010 and \$2.56 billion in 2015, assuming a 3 percent

discount rate. The EPA plans to issue separate guidance concerning compliance with section 110(a)(2)(D)(i) for States other than those subject to the CAIR.

F. Executive Order 13132: Federalism

Executive Order 13132, entitled "Federalism" (64 FR 43255, August 10, 1999), requires EPA to develop an accountable process to ensure "meaningful and timely input by State and local officials in the development of regulatory policies that have federalism implications." "Policies that have federalism implications" is defined in the Executive Order to include regulations that have "substantial direct effects on the States, or the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government."

This final rule does not have federalism implications. It will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government, as specified in Executive Order 13132. The CAA establishes the scheme whereby States take the lead in developing plans to meet the NAAQS. This rule will not modify the relationship of the States and EPA for purposes of developing programs to implement the NAAQS. Thus, Executive Order 13132 does not apply to this rule.

G. Executive Order 13175: Consultation and Coordination with Indian Tribal Governments

Executive Order 13175, entitled "Consultation and Coordination with Indian Tribal Governments" (65 FR 67249, November 9, 2000), requires EPA to develop an accountable process to ensure "meaningful and timely input by Tribal officials in the development of regulatory policies that have Tribal implications." This final rule does not have "Tribal implications" as specified in Executive Order 13175. This rule responds to the requirement in the CAA for States to submit SIPs under section 110(a)(1) to satisfy certain elements required under section 110(a)(2) of the CAA for the 8-hour ozone and PM_{2.5} NAAQS. Section 110(a)(1) of the CAA requires that States submit SIPs that provide for implementation, maintenance, and enforcement of a new or revised NAAQS, and which satisfy the applicable requirements of section 110(a)(2), within 3 years of promulgation of such standard, or within shorter period as EPA may provide. The CAA provides for States and Tribes to develop plans to regulate emissions of air pollutants within their jurisdictions. The regulations clarify the statutory obligations of States and Tribes that develop plans to implement this rule. The Tribal Authority Rule (TAR) gives Tribes the opportunity to develop and implement CAA

programs, but it leaves to the discretion of the Tribe whether to develop these programs and which programs, or appropriate elements of a program, the Tribe will adopt.

This rule does not have Tribal implications as defined by Executive Order 13175. It does not have a substantial direct effect on one or more Indian Tribes, because no Tribe has implemented an air quality management program related to the 8-hour ozone or the fine particle NAAQS at this time. Furthermore, this rule does not affect the relationship or distribution of power and responsibilities between the Federal government and Indian Tribes. The CAA and the TAR establish the relationship of the Federal government and Tribes in developing plans to attain the NAAQS, and this rule does nothing to modify that relationship. Because this rule does not have Tribal implications, Executive Order 13175 does not apply.

H. Executive Order 13045: Protection of Children from Environmental Health and Safety Risks

Executive Order 13045: "Protection of Children From Environmental Health and Safety Risks" (62 FR 19885, April 23, 1997) applies to any rule that (1) is determined to be "economically significant" as defined under Executive Order 12866, and (2) concerns an environmental health and safety risk that EPA has reason to believe may have a disproportionate effect on children. If the regulatory action meets both criteria, EPA must evaluate the

environmental health or safety effects of the planned rule on children, and explain why the planned regulation is preferable to other potentially effective and reasonably feasible alternatives considered by EPA.

This action is not subject to Executive Order 13045 because it is not economically significant as defined in Executive Order 12866, and because EPA does not have reason to believe that the environmental health risks or safety risks addressed by this rule present a disproportionate risk or safety risk to children. Nonetheless, we have evaluated the environmental health or safety effects of the PM_{2.5} and the 8-hour ozone NAAQS on children. The results of this risk assessment are contained in the NAAQS for PM_{2.5} and 8-hour Ozone Standard, Final Rule [(62 FR 38652) and (62 FR 38856), July 18, 1997].

I. Executive Order 13211: Actions that Significantly Affect Energy Supply, Distribution, or Use

This rule is not subject to Executive Order 13211, "Actions That Significantly Affect Energy Supply, Distribution, or Use," (66 FR 28355, May 22, 2001) because it is not a significant regulatory action under Executive Order 12866.

Information on the methodology and data regarding the assessment of potential energy impacts is found in Chapter 6 of U.S. EPA 2002, Cost, Emission Reduction, Energy, and the Implementation Framework for the PM_{2.5} NAAQS, prepared by

the Innovative Strategies and Economics Group, Office of Air Quality Planning and Standards, Research Triangle Park, N.C., April 24, 2003.

J. National Technology Transfer Advancement Act

Section 12(d) of the National Technology Transfer Advancement Act of 1995 (NTTAA), Public Law No. 104-113, section 12(d) (15 U.S.C. 272 note) directs EPA to use voluntary consensus standards (VCS) in its regulatory activities unless to do so would be inconsistent with applicable law or otherwise impracticable. Voluntary consensus standards are technical standards (e.g., materials specifications, test methods, sampling procedures, and business practices) that are developed or adopted by VCS bodies. The NTTAA directs EPA to provide Congress, through OMB, explanations when EPA decides not to use available and applicable VCS.

This action does not involve technical standards. Therefore, EPA did not consider the use of any VCS.

K. Congressional Review Act

The Congressional Review Act, 5 U.S.C. 801 et seq., as added by the Small Business Regulatory Enforcement Fairness Act of 1996, generally provides that before a rule may take effect, the Agency promulgating the rule must submit a rule report, which includes a copy of the rule, to each House of the Congress and to the Comptroller General of the United States. The EPA will submit a report containing this rule

and other required information to the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the United States prior to publication of the rule in the Federal Register.

L. Judicial Review

Section 307 (b)(1) of the CAA indicates which Federal Courts of Appeal have venue for petitions of review of final actions by EPA. This section provides, in part, that petitions for review must be filed in the Court of Appeals for the District of Columbia Circuit: (i) when the EPA action consists of "nationally applicable regulations promulgated, or final actions taken, by the Administrator," or (ii) when such action is locally or regionally applicable, if "such action is based on a determination of nationwide scope or effect and if in taking such action the Administrator finds and publishes that such action is based on such a determination."

This action making a finding of failure to submit related to the section 110(a)(2)(D)(i) requirements related to the 8-hour ozone and the PM_{2.5} NAAQS is "nationally applicable" within the meaning of section 307(b)(1).

For the same reasons, the Administrator also is determining that the requirements related to the finding of failure to submit related to section 110(a)(2)(D)(i) is of nationwide scope and effect for the purposes of section 307(b)(1). This is particularly appropriate because in the

report on the 1977 Amendments that revised section 307(b)(1) of the CAA, Congress noted that the Administrator's determination that an action is of " nationwide scope or effect" would be appropriate for any action that has "scope or effect beyond a single judicial circuit." H.R. Rep. No. 95-294 at 323, 324, reprinted in 1977 U.S.C.C.A.N. 1402-03. Here, the scope and effect of this rulemaking extends to numerous judicial circuits since the findings of failure to submit apply to all areas of the country. In these circumstances, section 307(b)(1) and its legislative history call for the Administrator to find the rule to be of "nationwide scope or effect" and for venue to be in the D.C. Circuit.

Thus, any petitions for review of this action related to a findings of failure to submit related to the requirements of section 110(a)(2)(D)(i) of the CAA must be filed in the Court of Appeals for the District of Columbia Circuit within 60 days from the date final action is published in the Federal Register.

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Implementation Plans for Interstate Transport for the
National Ambient Air Quality Standards for 8-hour Ozone and
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LIST OF SUBJECTS in 40 CFR Part 52

Air Pollution Control

Dated:

Stephen L. Johnson,
Acting EPA Administrator